GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5354
ANSWERED ON:29.04.2005
NON BANKING FINANCE COMPANIES
Verma Shri Ravi Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is considering to strengthening the Non-banking Finance Companies further so as to help the sector grow in terms of its assets base;

(b) if so, the facts thereof;

(c) whether the representatives of NBFC requested that provision of Debt Recovery Tribunal Act and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 available to banks and housing finance companies would be extended to NBFCs to protect their assets;

(d) if so, the details thereof; and

(e) the steps taken by the RBI in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b):- Reserve Bank of India (RBI) have reported that the Non-Banking Finance Companies (NBFCs) are playing an important role in asset creation particularly in transport sector and the RBI is taking steps to further support the non-banking financial companies sector.

(c), (d) & (e):- The representatives of NBFCs have been requesting the Reserve Bank for extension of Debt Recovery Tribunal (DRT) and SARFAESI Act to NBFCs as available to banks and housing finance companies. The matter is being examined in consultation with RBI.